

# ***CUSTOMER ADVISORY BOARD MEETING***

## ***NOVEMBER 4-5, 1998***

### **CAB ATTENDEES:**

Doris Wiggins, FERC  
Marion Green, FAA  
David Larsen, RD  
JoAnn Felix, DOT  
Jamie Estes, EPA  
Sherry Wise, DOC/NOAA  
Shelly Norland, EPA/LV  
Loretta Burns, USDA/FSA  
Donna Worden, DOT/FAA  
Howard Tamborella, USDA/NFC  
Bette Mumpower, DOC/NOAA  
Donna Hulcher-Smith, SSA, Baltimore  
Joel Thomas, DOT  
Kathy Webster, FRB/KC  
Paul Henderson, USPHS  
Patricia Pyle, SSA, Baltimore

Larry Wilson, USCG  
Tony Bainbridge, RD  
Tom Caporizzo, GSA/KC  
Terry Cooper, USDA/ FS  
Linda Long, EPA/KC  
Michael Daniels, DOC/NOAA  
Joseph Safadi, EPA/RTP  
Ken Mantel, USDA/FSA  
Rhonda Johnson, USDA/NFC  
John Tomlin, DOC/NOAA  
Stephanie Murray, FMS/Fin Ops HQ  
Denny Lessner, SSA, Baltimore  
Nancy Hawkins, USCG  
Anne Marie Smith, U.S. Courts  
Jim Kohler, USIA

**Treasury Attendees:** Jack Adams, Gary Beets, Susan Robinson, Lori Freeman, Yvonne Nance, Wendy Sanchez, John Spinola, Jimmy Lammon, Ed Bartlett, Chuck Catlett

Nancy Hawkins - Welcomed everyone and informed the new agencies of the accomplishments made by the CAB Board since its inception. Nancy asked for approval of the minutes from the March meeting. Minutes were approved as written.

### **HIGHLIGHTS OF MEETING:**

Wednesday, November 4, 1998

- ◆ **Guest Speakers:** Brett Smith, FMS Federal Finance and Becky Medved, DFAS/Cash Management provided an informative presentation on the emerging Echeck technology. (Attachment)
- ◆ There was the election of officers for 1999-2000. The new Chair person is Joel Thomas, DOT/FAA and the new Vice Chair is Joseph Safadi, EPA/RTP.
- ◆ Seven new agencies (previously serviced by the Birmingham Financial Center) were at the meeting. The new agencies that were represented included: Federal Energy Regulatory Commission, DOC/NOAA, Norfolk, DOC/NOAA, Seattle, SSA/Baltimore, U.S. Courts, U.S. Public Health Service, and U.S. Information Agency. US Public Health Service, and US Information Agency.

**CAB AGENCY UPDATES:** *(Each CAB member had the opportunity to share information about what is happening within their particular agency).*

### **National Finance Center (NFC) - Howard Tamborella**

- . In June 1998, NFC welcomed three new agencies on board, National Endowment for the Humanities, the Institute of Museum and Library Services, and the International Boundary and Water Commission.

## NFC (continued)

- . In 1999, NFC will welcome Peace Corps, Federal Elections Commission, and Farm Service Agency County Office Employees.
- . NFC's Payroll/Personnel system is in the process of being upgraded. In July 1998, Forest Service became the first NFC customer to implement the upgraded version of the EARN System (Statements of Earnings and Leave System). Personnel office employees are now able to access an online version of the earnings and leave statement.
- . The Thrift Savings Plan division recently received a Capability Maturity Model (CMM) Level 2 evaluation. We are working on improving to CMM Level 3.
- . Y2K Progress – In June 1998, NFC successfully completed renovating all 15,244 mission critical programs. NFC is currently in the validation phase. We have established a separate test platform, called the Time Machine. We are able to advance the system and application data dates into the next century to ensure they will function without any failures. Additionally, the Time Machine enables us to test interfaces with our clients to validate their systems and software compliance.

## FARM SERVICES AGENCY - Ken Mantel

- . Y2K Initiative - As of September 30, 1998, system modifications for year 2000 compliance has been tested and implemented for 145 of the 149 FSA computer systems. The remaining systems are scheduled for completion by March 1999.

FSA participates with National Information Technology Center in monthly meetings with private companies, Local governments, banking institutions, etc. to discuss and share Y2K concerns/progress.
- . Debt Collection Improvement Act
- CCC electronic payment processing by the 2500 FSA service centers continues to increase. Over half of the 3.3 million producer payments processed from mid August through September 30, 1998 were made by ACH.
- For FY 98/99 34,352 internal CCC and FSA debt offsets totaling \$30.8 million were made against CCC producer payments.
- As of October 1998 19,858 FSA and CCC claims for \$389.9 million have been referred to the Treasury Offset Program (TOP). To date, there have been 1,700 Administrative Offsets for a total of \$1.7 million. Of this total, TOP offsets were \$58 thousand and \$1.657 million was realized from the Tax Refund Offset Program.
- . Other Initiatives

FSA implementing the AMS FFS system as the CCC general ledger system. Implementation planned for October 1999.

## **U.S. INFORMATION AGENCY (USIA) - Jim Kohler**

- . On October 21, President Clinton signed the Omnibus Appropriations Act which included language ordering the reorganization of the U.S. foreign affairs agencies and the consolidation of USIA into the Department of State (DOS) effective October 1, 1999. Effective this date, all USIA appropriations will be merged with DOS. USIA will convert all of its accounting and payroll operations from legacy systems to DOS's CAPPs payroll system and its CFMS version of American Management System's FFS.
- . USIA is 99% compliant with EFT for employee payroll and will be at or above the 69% goal for vendor payments by the end of FY 99.
- . USIA makes numerous payments to foreign vendors who have neither a U.S. bank account or taxpayer ID number. Clarification of Electronic Certification System (ECS) edits for the Payee/Vendor ID were requested and provided by KFC.

## **ENVIRONMENTAL PROTECTION AGENCY/RTP - Joseph Safadi**

- . Y2K - The Contract Payment System (CPS) has been Y2K compliant for over a year, and recently it has been updated for an interface with the Agency Integrated Financial Management System (IFMS).
- . EFT - 95% of contract payments have been made by ACH by October 30, 1998.
- . TIN - All contract payments are transmitted with the TIN as a result of all new contracts requiring the TIN at the award time.
- . PAID - EPA established an MOU with the Department of Treasury, Houston; developed an invitation letter to all contractors to participate in the PAID system as another approach to increase EFT vendor participation.
- . GPRA - EPA developed its 1999 budget at the goal and objective level. In addition, the Agency devised an elaborate plan to account for expenditures at the sub-objective level, and will be responding to congressional inquiries relating to sub-objective resource levels. This has replaced Program Element (PE) as the level of budget focus with the Congress.

## **SOCIAL SECURITY ADMINISTRATION (SSA) - Dennis Lessner**

- . Effective with the October 1998 Supplemental Security Income payment, the payment operations switched from the Birmingham Regional Finance Center to the Kansas City Regional Finance Center. Claims for the SSI program will continue to be processed by Birmingham until the first part of 1999.
  - This move incorporated several major changes:
    1. Treasury moved to a "MVS" platform for the SSI payments.
    2. Incorporate changes to include the Taxpayer Identification Number (TIN).
    3. The payment file became Y2K compliant.
    4. All SSI recurring payment files were transmitted, thus, eliminating the shipping of "round tapes."
    5. SSI recurring payment files were transmitted via the Philadelphia ROC, while all SSI daily and Supplemental files were transmitted via the Hyattsville ROC.
    6. The SSI payment file format was modified to provide a modified PPD+ format for direct deposit payments for recipients with a representative payee.
- . SSA would like to thank the staff from the Birmingham Regional Finance Center for years of outstanding service. So far, the Kansas City RFC has demonstrated an equal regard for fine service and all indications show that this excellent relationship will continue.

## SSA (continued)

- . SSA and Treasury have validated, certified and implemented all changes to payment files to become Y2K compliant. SSA is now formulating contingency plans to be implemented if a financial institution declares that they cannot process EFT payments. SSA plans to work out details and execute a Memorandum of Understanding (MOU) with Treasury.
- . SSA has been experimenting with the access of the "on-line Pacer" system and is analyzing the possibility of expanding its access to a larger population. SSA is now experimenting with the use of obtaining digital images of checks through this system. A meeting with the Philadelphia RFC is planned for November 10th to discuss the expansion.
- . Michael Johnson, the Director of the Payment and Recovery Policy Staff announced his retirement effective on November 3, 1998. Michael was SSA's top proponent of direct deposit and was instrumental in expanding SSA's International Direct Deposit.
- . Our thanks to the Kansas City Federal Reserve Bank for hosting the Board meeting.

## USDA RURAL DEVELOPMENT DISBURSEMENTS - Tony Bainbridge

- . Y2K progress is not as far along as hoped. A significant part of the programming still needs to be identified and completed. Projecting a March 1999 completion date.
- . Have started a pilot for Single Family Housing loans to issue all loan disbursements through EFT. Have run into several issues regarding the collateralization of the loan note and FDIC insurance. Have resolved both issues by using closing agent and entering into a Financial Assistance Agreement with Treasury and Mercantile Bank. Mercantile is providing coverage over the FDIC amount for a fee. Are moving towards using PrimePay as a mechanism for moving the funds to Mercantile, rather than sending funds every day. A pilot is set to expand to all states by mid-December.
- . Their systems support personnel is starting to develop the capabilities necessary to capture to banking information to make all disbursements through EFT. The target date for completion is late January 1999.
- . Have drafted a waiver request from TOP for all of their loan programs. The main issue resolves around the fact that if the loan disbursement is offset the loan itself will not be able to close.
- . Have started using the Digital Signature process for submitting invoices to NFC. Seventy-five percent of their state offices are using this process to transmit invoices electronically which speeds up the payment process. RD is setting up all vendors on Vendor Express so that the payments are sent via EFT. A large majority of vendors are not willing to provide the information, but when the FAR clauses are published this should eliminate the problem. There is a large number of payments that RD makes to Taxing Authorities to protect RD's interest in the property. RD pays the vendors payments, but does not have a contract with these authorities and have nothing to hold over them to make them provide the ACH information. RD is still looking for a good solution to this problem. RD thought that the convenience checks on the new credit card would take care of this, but CFR 208 states to the contrary.

## USDA RURAL DEVELOPMENT LOANS - Dave Larsen

- . RD began collecting Federal Financing Bank repayments for Rural Utilities Service (RUS) in March 1998. These are mostly paid quarterly (about \$400M) utilizing Fedwire, Customer Initiated Payment (CIP) and Remittance Express (ACH Credit).

## USDA/RD (continued)

- . Preauthorized Debit (PAD) program continues to grow. Currently collecting about \$10M per month. Have just completed a pilot allowing loans with interest only installments to utilize PAD. This will allow many of the borrowers to begin on PAD when the loan is established rather than waiting 2-3 years when they go to amortized installments. Have converted the PC to the mainframe transfer of files from NIS (not Y2K compliant) to FTP (Y2K compliant).
- . Working with several program officials to allow CIP to be offered to their borrowers as a collection method.
- . Working with Unisys to develop a new accounting system to support the loans serviced for RUS called the Community, Utilities and Business System (CUBS).

## USDA/FOREST SERVICE - Terry Cooper

- . Within the Forest Service it almost feels like a Real Estate market although the key is not location, location, location, it is change, change, and change.
  - A. Changing organization from the Top down.
  - B. Changing the Accounting system to Foundation Financial Information System (FFIS). Thirty percent of the FS is utilizing now and scheduled to bring in the other 70% beginning FY2000.
  - C. Changing the Agency front end operational systems to IBM UNIX environment.
- . Forest Service has worked with the Department (USDA) this year in the implementation of the Purchase Card Manage Systems (PCMS). The application is that of procurement system where purchase of goods and/or services is primary and the accounting is secondary (i.e. taking a back seat). We need to be cautious when developing systems where accounting takes second place.
- . Currently working with Treasury FMS in validating status of ADOs and securing Treasury Certification Cards accordingly.

## ENVIRONMENTAL PROTECTION AGENCY/KC - Linda Long

- . EPA, Region VII has recently completed a major hiring initiative of approximately 45 employees. We have hired Financial Management Specialists, Environmental Protection Specialists and Computer Specialists.
- . EPA will be moving to a new building after June 1, 1999 at 5<sup>th</sup> & Minnesota, Kansas City, KS. The contractor will be applying for the Green Award.
- . EFT Status: EPA surpassed the benchmarks by converting 88% of its payments to EFT. Statistics on specific processes for FY98 are as follows: Salary Payments – 97%, Vendor Payments – 30%, Misc. Payments – 97%.
- . The vendor payment area is a challenge. EPA is currently working on systems modifications to overcome problems with addenda records for vendors.

## FEDERAL ENERGY REGULATORY COMMISSION -Doris Wiggins

- . FERC in at 96% with their EFT for payroll, vendor payments, and travel.
- . FERC is 92% on Prompt Pay.

FERC (continued)

- . The transition from the Birmingham Financial Center to the Kansas City Financial Center went very smooth.

### **FEDERAL RESERVE BANK/KC - Kathy Webster**

- . Y2K - Examiners are going out to the banks and giving ratings.
- . Operation Side - Certified FRB systems funds transfer and ACH's ready to do customer testing. FRB is requiring the testing.

FRB (continued)

- . FRB is developing a business prospectus plan.
- . FRB is working on contingency planning.
- . FRB is testing to see if they can run their system on generated power.
- . Working on how to handle when and if another agencies system fails and FRB doesn't.

### **DEPARTMENT OF COMMERCE/NOAA - Bette Mumpower**

- . Bette Mumpower will be retiring in December 1998.
- . NOAA has set up a performance study.
- . Pilot for Visa Checks to eliminate using the imprest fund. Quasi type checks worked well and will be expanding and setting up profiles.
- . Pilot for putting monthly utilities on a BankCard. Working very well.
- . Moving into the new CORE finance system. Received a qualified opinion on audit.

### **GENERAL SERVICES ADMINISTRATION - Tom Caporizzo**

1. GSA has a new CFO. Tom Bloom was appointed the CFO of GSA in February 1998. He was the Inspector General for the Department of Education prior to his appointment at GSA.
2. GSA has selected Citibank and it's VISA product as its credit card contractor. The agency will use an integrated card combining travel and miscellaneous purchases in a single card.
3. The Payroll Accounting and Reporting system, GSA's payroll system was certified as Y2K compliant by the GSA CIO and IG. Price Waterhouse Coopers also certified the system as Y2K compliant.
4. GSA is in the process of implementing a new accounting system. The agency purchased a COTS package called Momentum from AMS. Currently, the project team is working on the needed agency specific customizations required to make Momentum work for us. Actual implementation is scheduled to be phased in over the next 3 years starting October 1, 1999.
5. GSA is expanding the capability of its Internet accessible pay and leave statement. Beginning January 1, 1999, employees will be able to update Federal and state tax withholding as well as designating optional withholding amounts, change addresses for TSP, bonds and Forms W-2, change a current enrollment or enroll in EFT for net pay, add, delete or change all facets of savings bond withholding for both EE and I Series bonds.

## GSA (continued)

6. We are currently working on additional functionality that will allow employees to pay bills such as their Government travel card through this application also.
7. GSA implemented payroll deduction for Series I Bonds during September 1998. Employees may choose to purchase either or both Series I and EE Bonds through payroll deduction.
8. The travel-vouchering module of the GSA FEDdesk system was awarded the Travel Manager of the Year Award by Government Executive Magazine. CFO Magazine picked the entire FEDdesk suite of applications as a finalist for the 1998 Reach Award. The other finalists were system developed by Coca-Cola, IBM, and Cargill Industries. FEDdesk is the first Government system named as a finalist for the reach award.
9. GSA implemented a WEB based accounts payable system through which selected vendors may view their open and paid purchase orders, communicate electronically with GSA accounts payable technicians, receive e-mail remittance advice and submit paperless invoices. GSA is also piloting 10-day payment terms with vendors who do full cycle electronic commerce with the agency.

## U.S. COURTS - Ann Marie Smith

- . U.S. Courts have their own disbursing authority.
- . Since 1991 have had in-house payroll and are using an off the shelf payroll software.
- . Y2K - Will finish testing in mid January 1999.
- . U.S. Courts have 99% of their BI-weekly employees on EFT and 85% of their monthly employees on EFT.
- . U.S. Courts are not able to offer both E and I bonds so they have opted to not issue I bonds due to having to make system changes. To request help on I bonds you can call (202) 273-1415.

## DEPARTMENT OF HEALTH AND HUMAN SERVICES - Paul Henderson

- . By way of introduction, the USPHS Commissioned Corps is a branch of the Uniformed Services under the direction of the US Surgeon General. It consists of a cadre of health professionals who provide health related functions throughout the US and the world.

These health professionals also provide services to other branches of the Executive including EPA, IICFA, Justice (Bureau of Prisons and Marshall Service), Coast Guard, and Interior (National ParkService).

- . **Personnel and Payroll:** The USPHS payroll is a monthly "military" payroll which pays active duty officers, retired officers, annuitants, and scholarship recipients from several programs within DHHS. The payroll is processed from a centralized personnel and payroll office in Rockville, MD.

This office is responsible for policy, recruitment, data preparations and process, and data reporting to other government entities (e.g. FMS, VA, and IRS).

- . **Payroll Payments:** All salary and annuity payments are already made through EFT. An initiative to migrate allotment payments from paper checks to the CCD+ and CYX formats of electronic payments is about to be started.

- . **Y2K Compliance:** Current plans will migrate all data and processing into an Oracle environment by the end of 1999. Conversion of legacy code into Y2K compliance is complete and is currently undergoing IVV testing to ensure that there will exist a production environment should the deadlines for conversion to Oracle not be met.

DHHS (continued)

- . **I-Bonds:** Because our “compute pay” software is provided by a proprietary vendor, the purchase of I-Bonds through payroll deduction is not feasible at this time. The vendor has estimated that I-Bond software might be available in 2001. Public Health Service can’t offer I bonds because they don’t have the software.

#### **ENVIRONMENTAL PROTECTION AGENCY/LV - Shelly Norland**

- . Y2K- Independent certification and most financial systems are considered compliant.
- . Pending are the grants systems they are going to use.
- . Behind in vendor payment processing due to having to write individual programs for agency.
- . EPA is in the process of getting vendors enrolled.

#### **DEPARTMENT OF TRANSPORTATION/FAA - JoAnn Felix**

- . The U.S. DOT concluded that the Departmental Accounting and Financial Information System (DAFIS) is nearing the end of its’ life cycle. As a result, the Department is transitioning to Oracle Financial, a commercial off-the-shelf software system. MMAC is leading this effort named DELPHI. At this time, the DELPHI plan indicates the implementation will take 3-4 years. Operation and maintenance of the system is expected to continue indefinitely when implementation is complete.
- . The project team completed the first solutions demonstration lab (SDL) and user review in September. The first SDL was completed using Oracle Federal Financial ver. 1.1 for R10.7 SC. The team will upgrade to Federal Financial ver. 2.0 for R10.7 NCA for the second SDL, which is scheduled to begin in February 1999. DOT users in the second SDL will establish a lab in Washington, D.C. at the NASSIF building to allow active participation.
- . Treasury Offset Program (TOP) - A government wide change in the TOP began having a negative impact on DOT in August 1998 because of DAFIS design. Specifically, the TOP became an automated process out of the Birmingham DO the second week of August. The automated process changed the way confirmation data is listed for ACH payments when an offset has taken place.

Previous to the change, Treasury would list one range of trace numbers for each payment schedule. Under the new TOP procedures, if an offset has taken place on an ACH payment, there will be two ranges of payment numbers for each payment schedule. One range lists all the ACH trace numbers attached to the normal payments on the schedule and a second range of numbers for the ACH payments that were offset and converted to checks to be mailed to the agency due the funds.

The confirmation process in DAFIS allows for one range of payment numbers. It also requires the total number of payments and total amount of payments on a schedule entered on the confirmation screen match the DAFIS totals or edits prevent confirming the schedule. As a result, manual intervention is now required each time offsets occur. Three offices are impacted with additional workload in order to confirm schedules. DOT is requesting assistance from Treasury in resolving this issue.

- . Fiscal Year-end 1998 - DAFIS year-end processing began on Tuesday evening, October 6th and was completed Monday evening, October 12th. The total DAFIS year-end processing time consisted of 274.19 hours (11.43 days). This amount of processing was completed in 7 days, but the DAFIS online system was only down 3 working days! This was accomplished by running 109.44 hours of processing in tandem on dual production databases, in conjunction with the faster processing speeds available on the ICEMAN platform. This was the fastest year-end process in DAFIS history!



#### DOT/FAA (continued)

- . Y2K - DAFIS, a critical system, completed the Renovation Phase of the Y2K project on August 3, 1998. This was two months ahead of schedule. That was a great accomplishment on this very important and highly visible project. The Validation Phase is progressing to meet the next milestone date on January 31, 1999.
- . Purchase Card - DOT contracted with Nations Bank for the purchase card. DAFIS is currently working with Nations Bank on their initiatives for DOT.
- . Financial Statements - DOT is developing an Oracle Web based application to produce the financial statements. One of the Fiscal year 1999 goals is obtaining a clean audit opinion.

#### FEDERAL AVIATION ADMINISTRATION – Marion Green

- . FAA Central Region is currently scheduled to move into the new Department of Transportation Headquarters building in 8/99/. It will be located just southeast of the new Western Missouri Federal Court House in downtown Kansas City, Missouri.
- . A big thank you to Mr. Adams and his staff for the emergency handling of a check copy request. The check information was required to determine the well being of an FAA employee.

#### U.S. COAST GUARD – Nancy Hawkins

- . Coast Guard's efforts in promoting direct deposit are paying off. Active Duty Salary participation is at 99.9%. Only 5 checks remain. Retired Pay Salary participation is currently 96.9%. Moving the allotment payments that are authorized deductions from pay to EFT is a different story. Although we have made significant progress in changing the allotments to EFT is a very slow process and will take additional work. Over the past 7 months we have converted over 3000 allotments to EFT – with about 3000 to go.
- . We are very pleased with the use of PACER. Having it available to research payment status prior to recertifying a payment has resolved the issue of non receipt most of the time. We have found that generally, recertification is not necessary.
- . Testing on all Coast Guard systems for Y2K compliance is going very well.

#### DEPARTMENT OF TRANSPORTATION/FAA - Joel Thomas

- . Have completed code renovation are in the process of doing date testing.
- . Pay Banyan - Have been doing a pilot since July 1998 with about 2,000 employees.
- . Labor relations are looking at replacing legacy payroll system. NFC has been looking at DOT's payroll system. FAA is looking at an upgrade on their personnel system.

## **DISCUSSION OF FMS PROJECTS/INITIATIVES (STATUS UPDATES):**

### **Chuck Catlett (Claims)**

**PACER ON LINE (POL)** - Is the newest project for the Claims Branch. Since POL began in November 1997 the Kansas City Financial Center has processed the following request:

<u>Claims</u>	<u>Inquiries</u>	<u>Digital Image Requests</u>
3500-4000	7000-8000	250-350

POL includes most payments issued after September 30, 1997. POL has provided:

1. Faster initial claims processing usually less than 7 working days.
2. On line disposition of the claims request.
3. On line status of the check and EFT payment, with payment updates daily on payment records from the Federal Reserve Bank.
4. Digital images are available through the Regional Financial Centers. On problem cases a request of an image of the check or a photocopy of a check can be acquired depending on if there was an image available for the check. We are in the process of rolling the Digital Imaging out and there are some start up problems that FMS is working on prior to a general roll out of the application.
5. EFT cancellation information is available through POL including the date canceled and the reason for the return.
6. For more information regarding POL, please contact Vicki Haddad of the Customer Assistance Staff, (816) 414-2108 or Chuck Catlett of the Claims Branch (816) 414-2153.

### **Susan Johnson (Administrative Branch)**

1998 achieved the full implementation of the Travel Manager, Procurement Desktop(PD) and FFS Accounting System software products. Product flaws appear to be in the reporting aspect of both PD and FFS, with vendor changes resulting in an unsettled budget analysis view as we conclude 1998. We hope that 1999 shows a stabilized FFS and improved budget analysis.

Administrative work plan projects to be responsive to stakeholder requirements and customer needs have resulted in accomplishment of nineteen projects producing savings of over \$4,000.00 to-date.

### **Customer Advisory Board - KFC Quality Sub-Council Updates:**

**9-Step Process Review Claims Run** - The selection of the Claims process was to improve the overall performance and delivery of the Claims processing run. A variety of meetings were held with customers and suppliers to determine customer requirements and to develop supplier specifications to meet those requirements. A review of delivery schedules and work processes resulted in a statistical analysis of work processing time frames and delivery schedule accomplishment.

Total savings achieved by project completion included \$350.00 in intangible savings and \$301.68 in tangible savings. Savings were derived from work streamlining, process enhancements and improved communication. Post project recommendations adopted resulted in an additional \$600.00 in savings.

**Replacement Check Process Review** - The goal of the Replacement Check team was to provide replacement checks to the recipients in both a timely and accurate manner. Interviews were held between customers and suppliers to determine customer requirements and to develop supplier specifications. A detailed cost analysis was made comparing the automated versus manual replacement check process. Streamlining of the replacement process and recommendations on the quantity process resulted in total savings of \$1,281.20 in tangible savings per year.

FMS (continued)

**John Spinola (EOB)**

Thank you to our new agency customers whom transitioned from BFC for attending the CAB meeting.

Y2K: EOB is in the process of doing an MVS Conversion. Listed is the schedule for this conversion:

SSI Monthly Benefits	Oct 1 '98
SSI Daily	Jan '99
SSA Daily	Dec '98
ECS Pilot (DOT/DAFIS)	Nov '98
ECS Roll-out	Jan '99
Daily EFT	Nov '98
DoEd/PAD	Dec '98
MVS Claims Parallel	Nov/Dec '98
MVS Claims Roll-out	Jan '99
Manual Payments	Oct '98
Firefighter/ADO	Nov '98
International Direct Deposit (Vendor)	Dec '98
Salary Check	Dec '98
International Direct Deposit (SSA/OPM)	Jan '99

Y2K Agency Testing: Y2K Certification on all the above development

SSA/SSI (PFC)

National salaries and any other agency that wants to test.

**Ed Barlett (EOB)**

The Year 2000 project continues and the application problems have been minimal but consolidation to a Year 2000 compliant platform is a huge undertaking. KFC has a new system for handling input data from the agencies. It offers the following advantages:

- Files are written directly to disk and the errors associated with tape processing are eliminated.
- The receipt of the file automatically starts the processing of the file.
- Many of the application edits are performed upon receipt providing early detection of problems.
- Upon receipt, each file is copied to our off-site contingency site in Austin.
- Edit reports/acknowledgements are routed to the agency.
- The tape number used for certification has been simulated by the new system.
- Changes are required by the agency to use this system.
- The data set name received on the system becomes significant; FMS will supply the format.
- The destination node name (if currently VSE) must change to a ROC node name.
- The agency must prepare to receive edit reports/acknowledgements.

**Jimmy Lammon (EOB) - Operations**

- . KFC is in the process of retraining personnel to utilize new technology and processes as a result of several changes, including MVS, Windows NT, LAN based access to remote processing, and Y2K changes. The production environment will be changing over the next few years from local VSE to remote processing on MVS. Will be utilizing new RISC and COMBO technology to improve their processes and capabilities.
- . Printing functions will be changing in the near future from Troy printers which are 12 years old to the newer COMBO equipment including IMB 3900 Laser print facilities.
- . EOB is continuing to improve relationships at the working level to maintain a partnership with our customers. This includes keeping production as the number 1 priority. When the job has to be done, we get it done!

FMS (continued)

We are “Kunique” in many ways, including notifying customers of “unusual” production occurrences, international payments, pre-authorized debits, and continuous contact with customers when we notice changes/differences from the norm.

#### **Customer Assistance Staff – Susan Robinson**

New additions to the CAS staff – Since the previous Customer Advisory Board meeting there have been two new additions to the Customer Assistance Staff. Lori Freeman was selected for the position of the Special Operations Coordinator. Lori comes to KFC from the Department of Defense and Accounting Service, Kansas City. Lori has day to day coordination responsibilities for Special Operations activities including, IDD, PrimePay, PAD, ASAP, and Foreign Payments. Additionally, Mike King was selected for the Senior Financial Specialist position. Mike was previously employed by FMS, Federal Finance.

Foreign Payments – At the last CAB meeting, we discussed the fact that as of March 1998 all foreign currency payment processing was being consolidated at KFC. Also, we are piloting two systems, one from the State Department as well as a financial institution provider. We will continue to pilot both systems until the end of the calendar year. The difference between the two systems should be virtually transparent to the agency other than the detail reports received.

ASAP - The Chief Financial Officer’s council has made a decision to adopt a new financial management initiative designed to reduce the number of grant payment systems currently utilized in the federal government. There will be two standard grant payment systems to transfer funds to federal grantees. Total system implementation will be completed by October 1, 2002. The two designated systems are ASAP provided by FMS and the Federal Reserve Bank of Richmond and the Payment Management System (PMS) provided by the Department of Health and Human Services (HHS).

Fiscal year 1998 was a big year for the Special Operations Unit. KFC collected over 225,000 items totaling \$134 million dollars for fiscal year 1998. This represents a 50% increase in collections from the previous fiscal year. Additionally, over nine million dollars was disbursed in foreign currency checks. In April, KFC implemented the International Direct Deposit program whereby foreign currency disbursements are issued electronically from KFC through the New York Federal Reserve Bank. KFC piloted with General Services Administration to pay German vendors in German marks. During the first year of implementation, over 3500 German marks totaling \$1.4 million U.S. dollars was disbursed through the IDD network. KFC is planning to expand the program to other agencies and currencies during FY99.

KFC Web page - KFC is currently revising our web page. The revised page will include information on various products and services that KFC offers such as PrimePay, PAD, Foreign Payments, etc. Also, we have added a link for the Customer Advisory Board. You will now be able to access information relating to the upcoming meetings, as well as the CAB minutes. Our web page address is [www.fms.treas.gov/kfc](http://www.fms.treas.gov/kfc).

**The next CAB meeting will be in the spring. All members will be notified when a firm date has been set.**